

FY 4/2019 (ending April 2019)

1Q Financial Results



August 31, 2018
Raccoon Co., LTD
Code: 3031 TSE1

Disclaimer

All estimates and opinions in this document were based on information available to us at the time, and may include inaccuracies.

Actual decisions and financial results in the future may differ.

Summary of Financial Results for the First Quarter of the Fiscal Year Ending April 2019

Net Sales: **669** million yen YoY: **9.3%** increase

Operating Income: **133** million yen YoY: **25.7%** increase

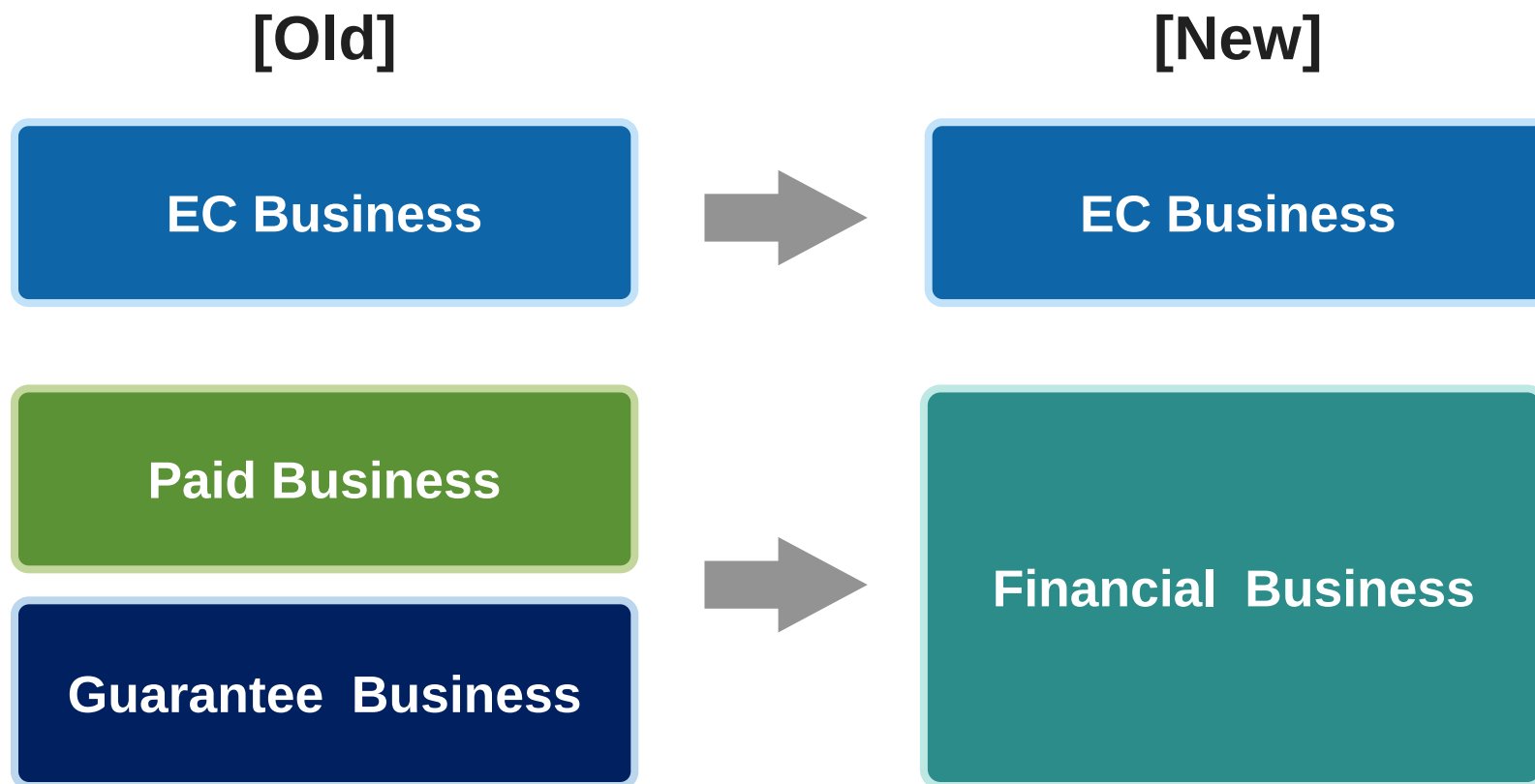
- Changed reporting segments from this quarter, splitting into EC and Financial
- Both businesses saw sales increase
- While labor expenses increased, other expenses were controlled, bringing SG&A expenses down 0.6% YoY



Ordinary income: 133,385 thousand yen (YoY 27.7% increase)

Net income: 90,081 thousand yen (YoY 30.3% increase)

Ahead of our transition to a holding company structure, we will make the following changes from FY 4/2019.



(Unit: Million Yen)

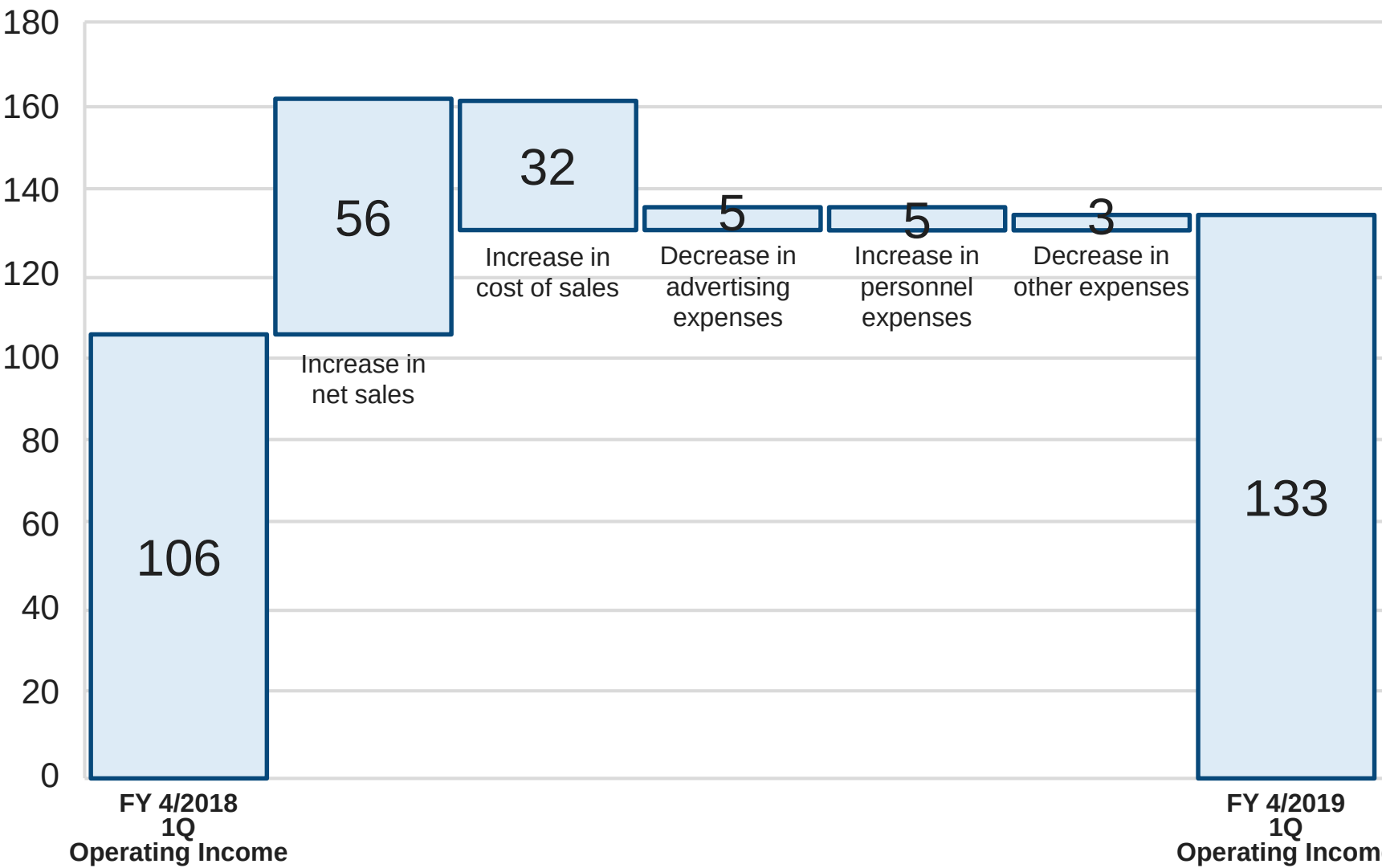
	FY 4/2019 1Q Results	FY 4/2018 1Q Results	YoY	Estimation	Progress Rate
Net sales	669	612	9.3%	2,709	24.7%
Gross profit	548	523	4.7%	—	—
Selling, general and administrative expenses	414	417	-0.6%	—	—
— Advertising and sales promotion expenses	44	49	-10.6%	—	—
Operating income	133	106	25.7%	513	26.0%
Operating margin	19.9%	17.3%	+2.6pts	18.9%	—
Ordinary income	133	104	27.7%	508	26.3%
Net income attributable to owners of parent	90	69	30.3%	330	27.3%

(Unit: Million Yen)

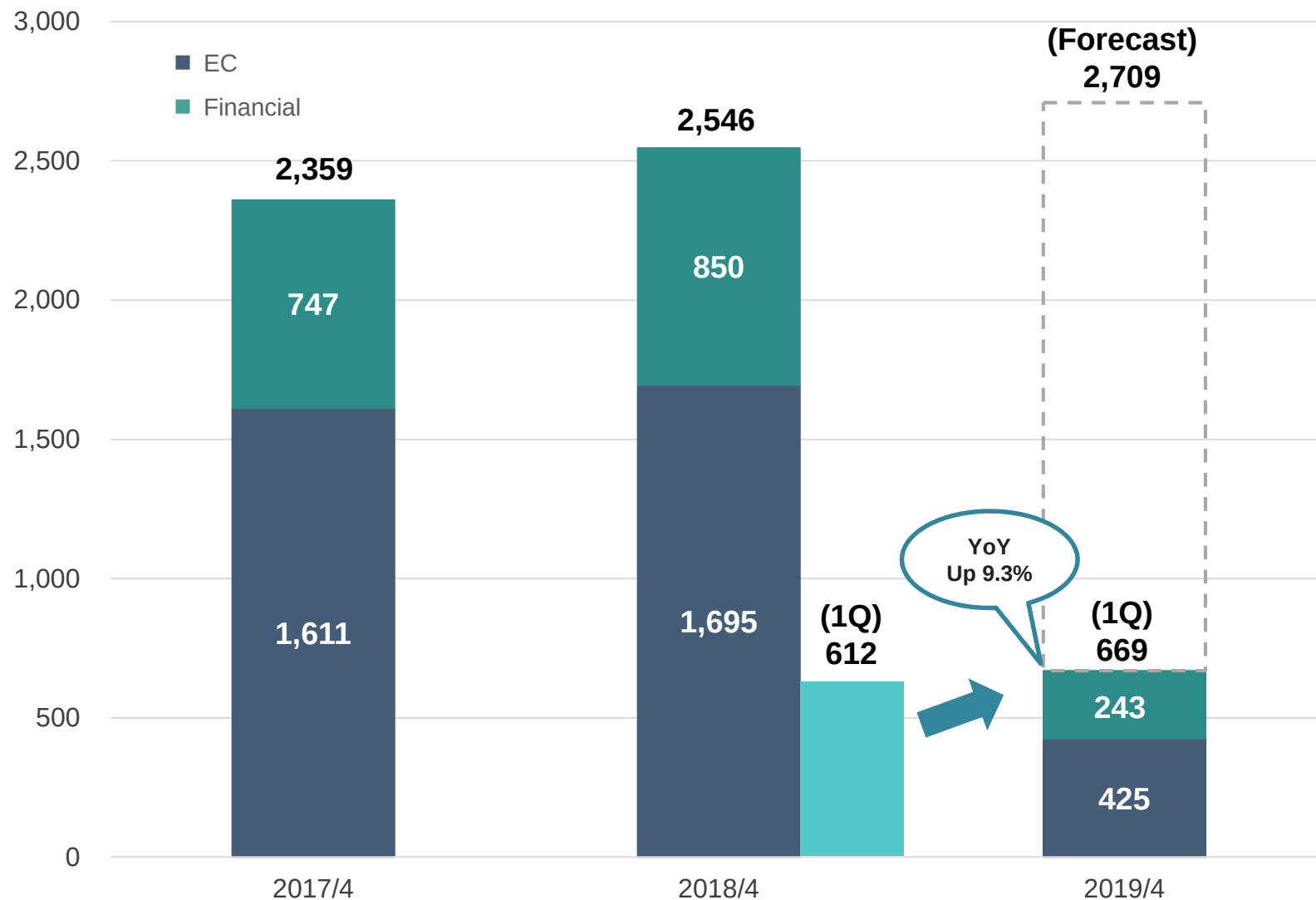
	FY 4/2018				FY 4/2019
	1Q	2Q	3Q	4Q	1Q
Net sales	612	627	647	659	669
Gross profit	523	518	540	522	548
Selling, general and administrative expenses	417	412	418	418	414
— Advertising and sales promotion expenses	49	47	50	51	44
Operating income	106	106	122	103	133
Operating margin	17.3%	16.9%	18.9%	15.7%	19.9%
Ordinary income	104	103	121	101	133
Net income attributable to owners of parent	69	70	81	61	90

Factors behind Change in Operating Income (year-on-year comparison)

(Unit: Million Yen)

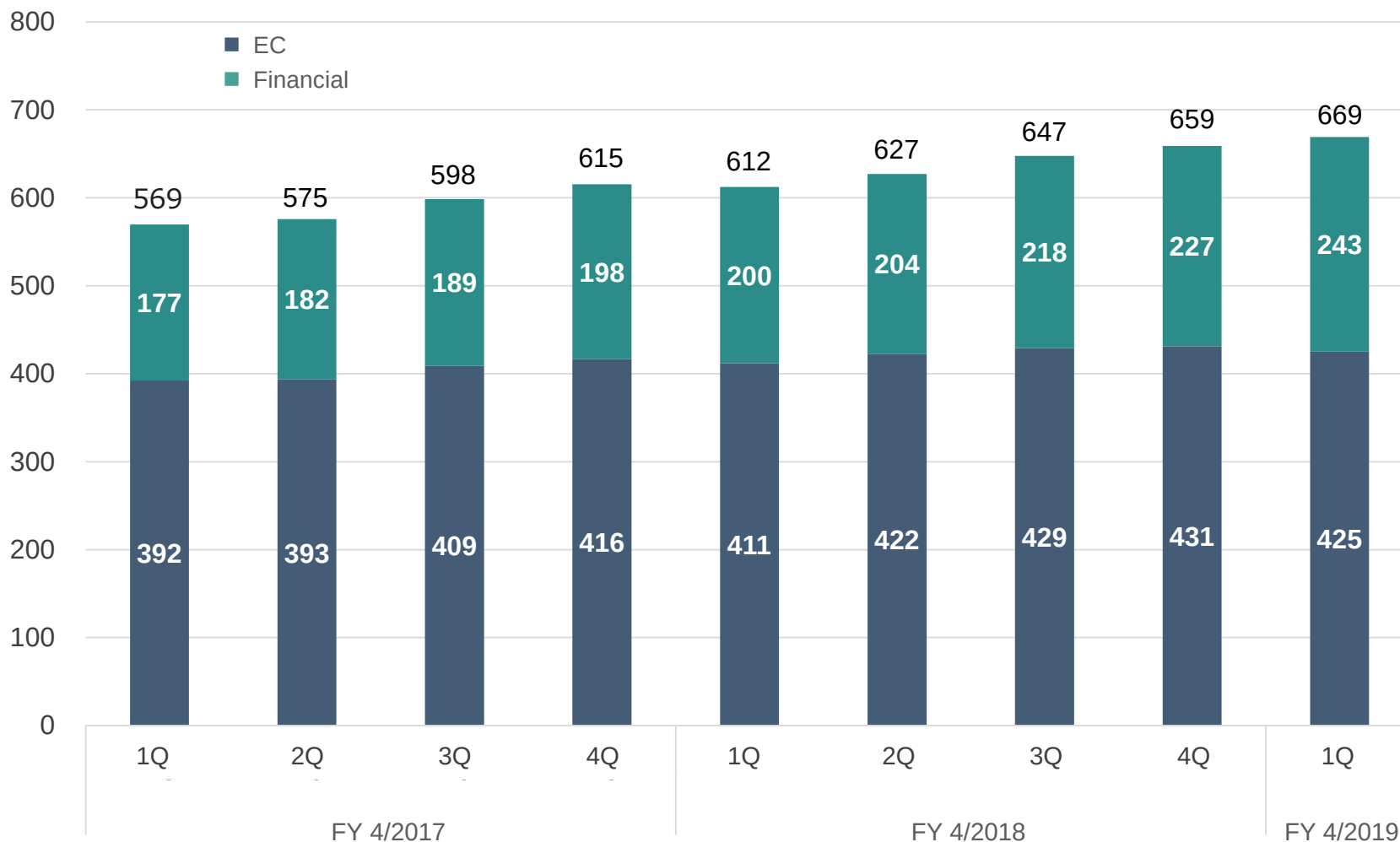


(Unit: Million Yen)



Trends in Consolidated Net Sales by Quarter

(Unit: Million Yen)



Trends in Consolidated Operating Income by Quarter

(Unit: Million Yen)



(Unit: Million Yen)

	FY 4/2019 1Q	FY 4/2018	Difference	Compared with the end of the previous quarter
Current Assets	5,501	5,580	-79	98.6%
Non-current assets	470	475	-5	98.8%
— Property, plant and equipment	18	20	-2	89.2%
— Intangible assets	215	210	5	102.4%
— Investments and other assets	235	244	-8	96.4%
Current liabilities	3,792	3,885	-92	97.6%
Non-current liabilities	45	37	7	119.6%
Net assets	2,133	2,133	0	100.0%
Total assets	5,971	6,056	-84	98.6%

Summary by Segment

EC Business

Segment Sales: **425** million yen YoY: **3.2%** increase

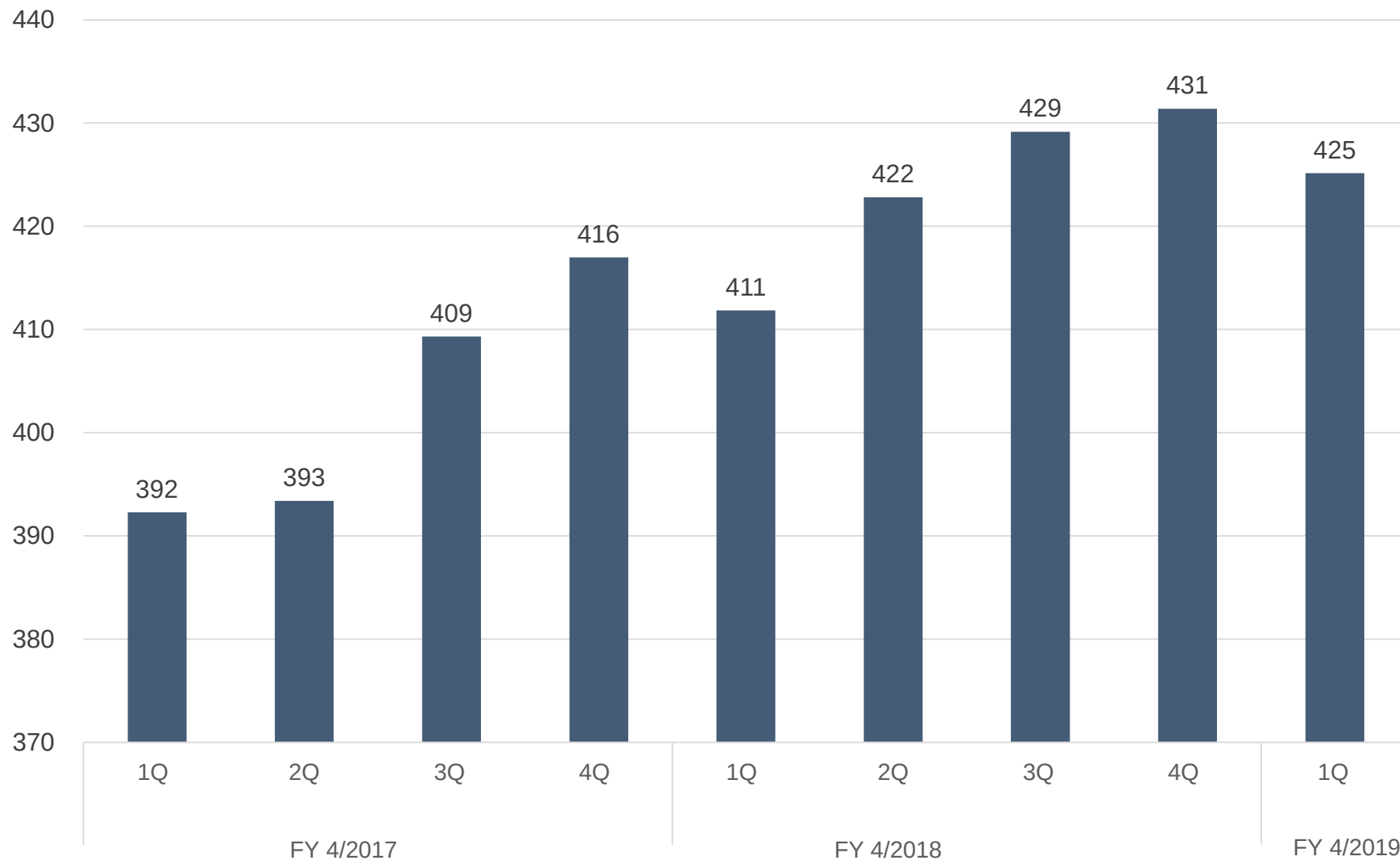
Segment Profit: **167** million yen YoY: **10.9%** increase

- Domestic transaction value of SUPER DELIVERY → YOY 0.2% increase
- Overseas transaction value of SUPER DELIVERY → YOY 46.7% increase
- ECMS EXPRESS expanded its coverage from Taiwan and Hong Kong to South Korea, Thailand, Singapore and Malaysia.

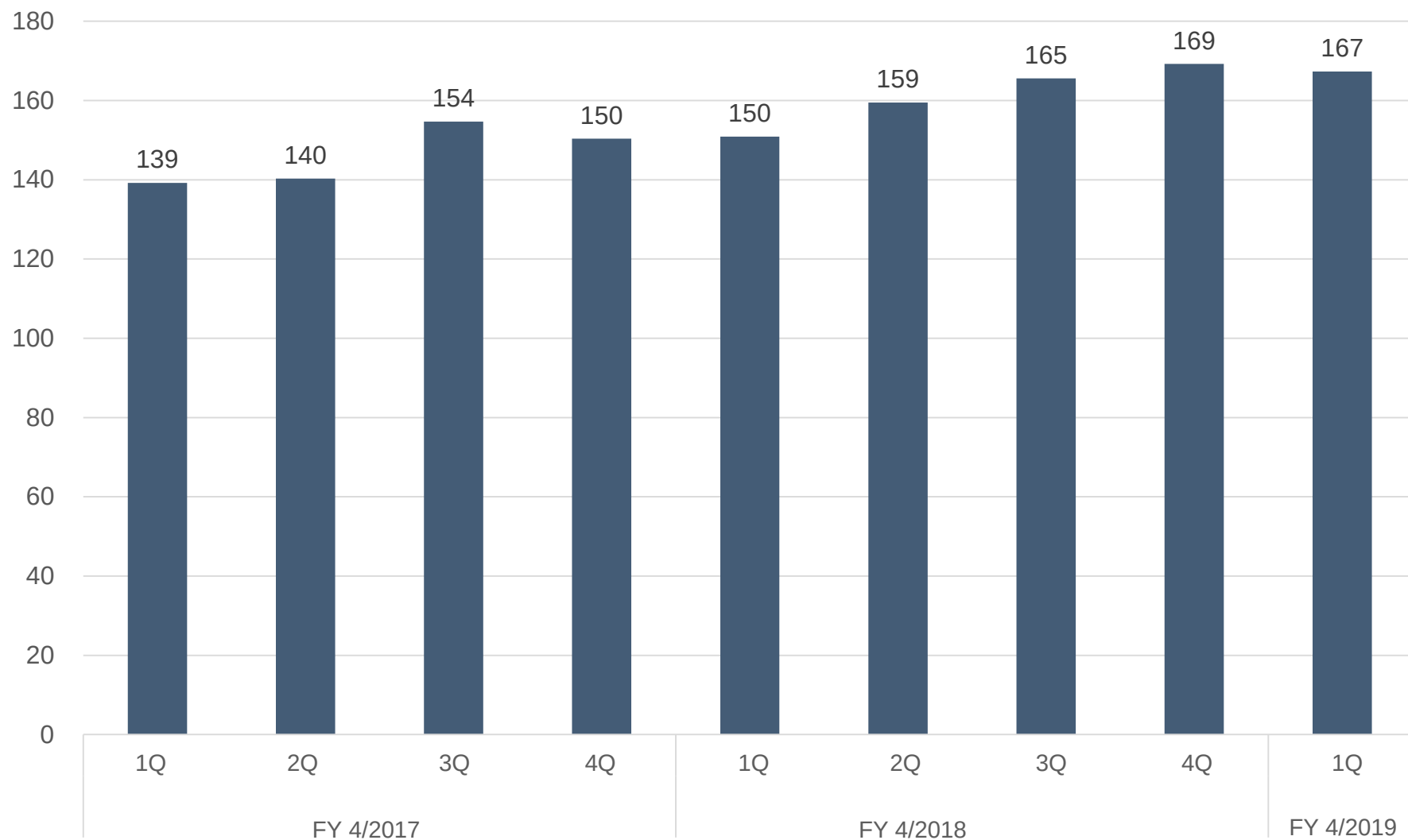


Total transaction value: 2,672,949 thousand yen (YoY 5.2% increase)

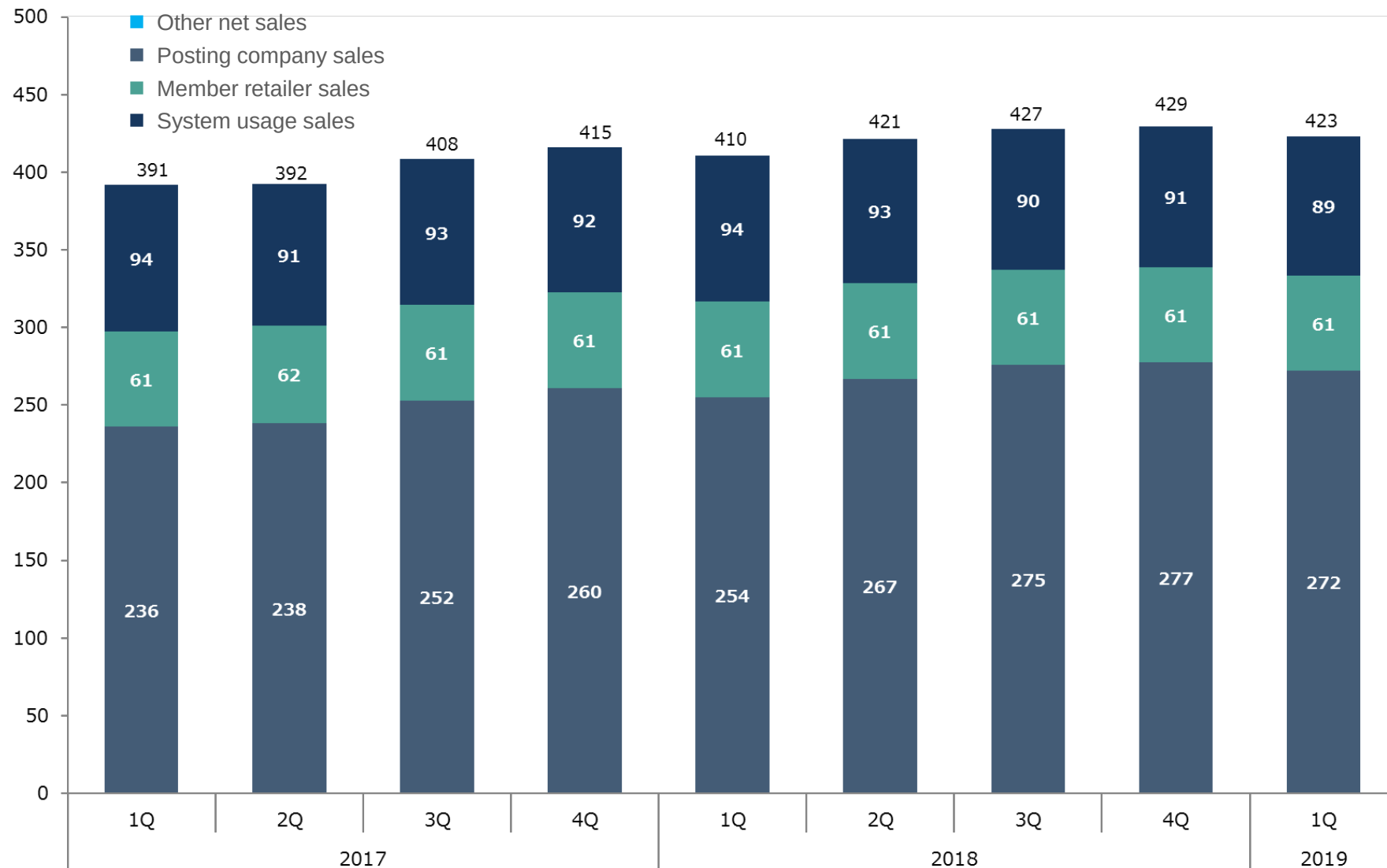
(Unit: Million Yen)



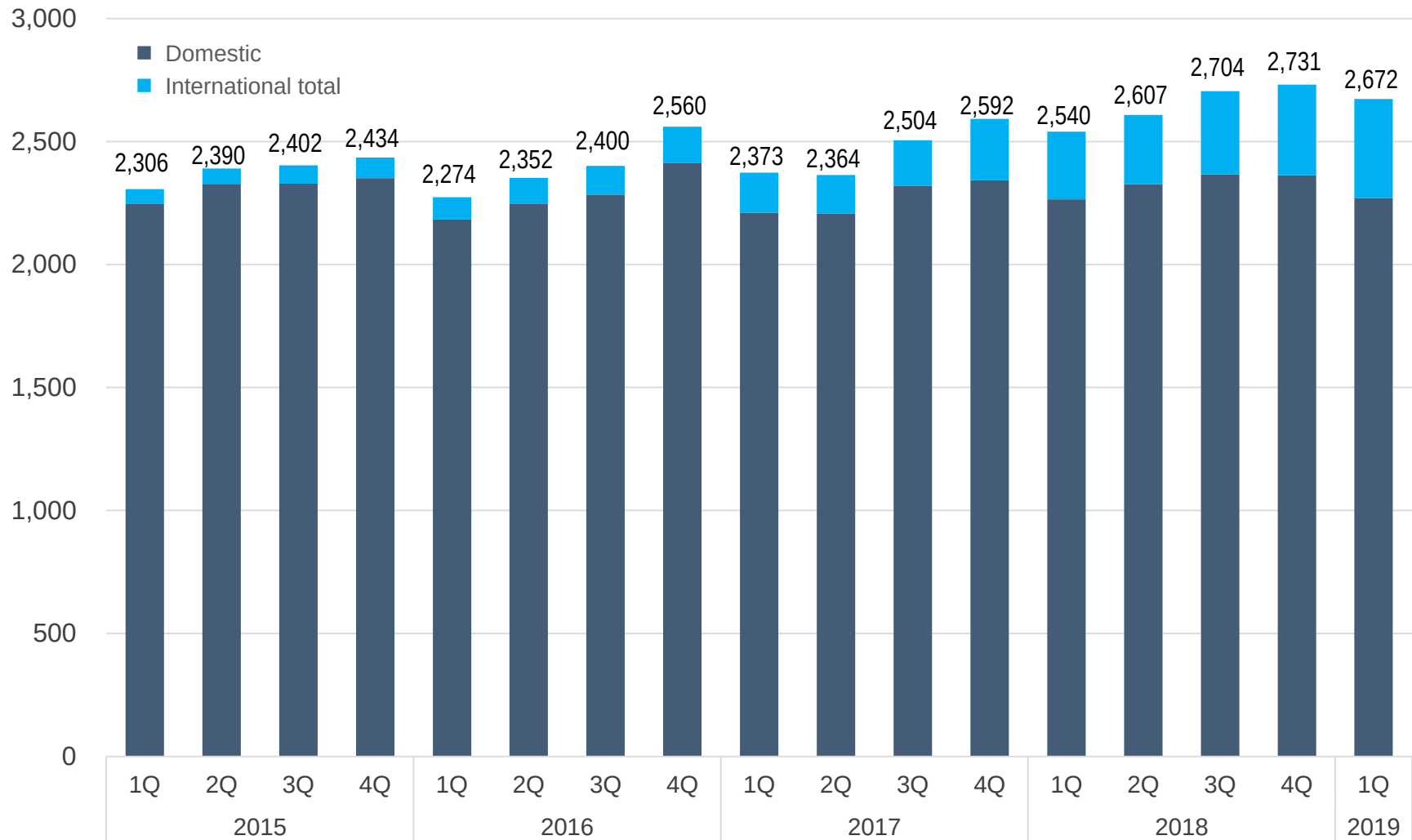
(Unit: Million Yen)

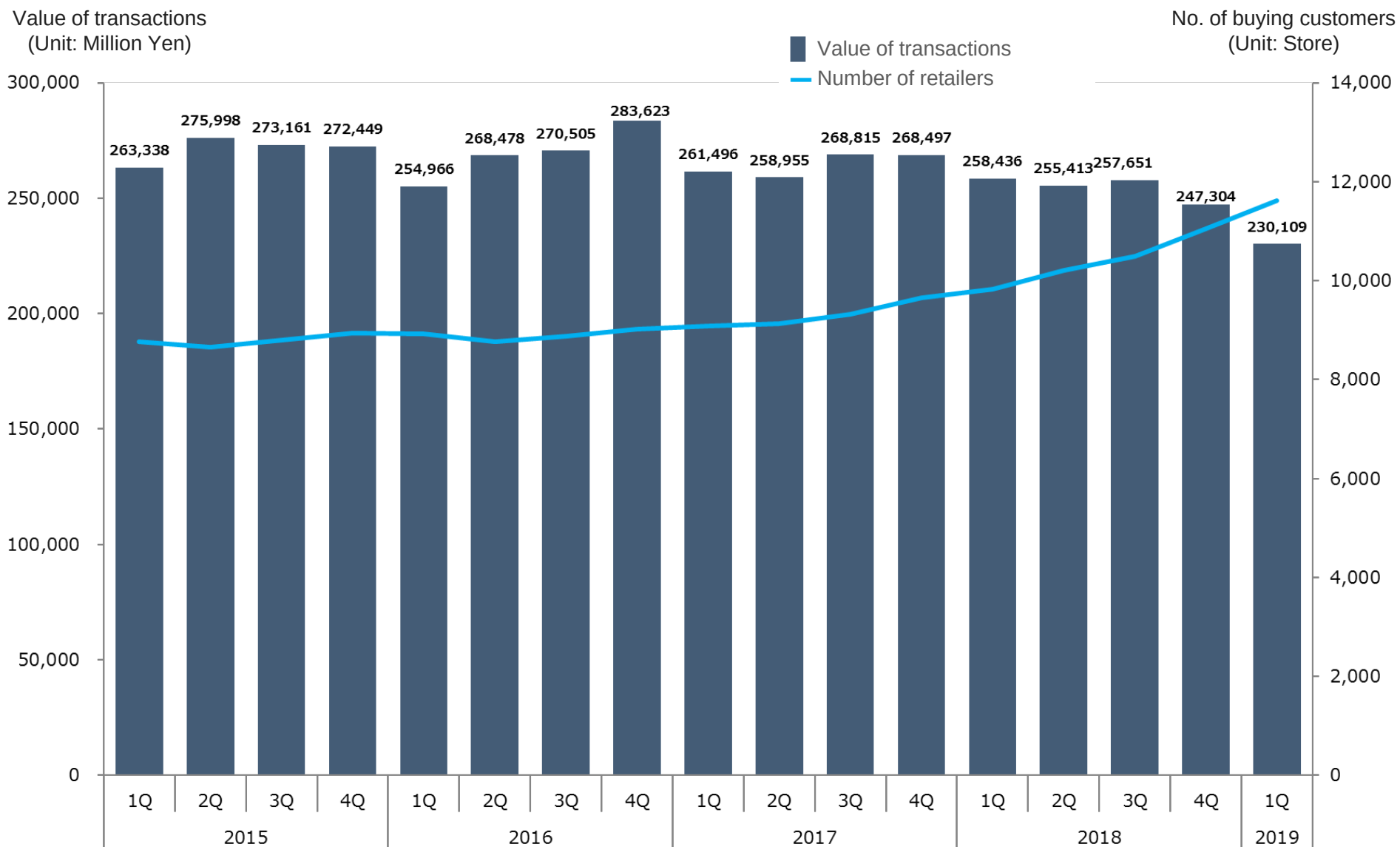


(Unit: Million Yen)



(Unit: Million Yen)





Financial Business

Segment Sales: **286** million yen YoY: **17.3%** increase

Segment Profit: **37** million yen YoY: **39.3%** increase

-
- Paid exceeded 3,000 member companies and its transaction total is steadily increasing

Transaction value: 5,225,894 thousand yen (YoY 15.8% increase)

External transactions: 3,588,014 thousand yen (YoY 26.8% increase)

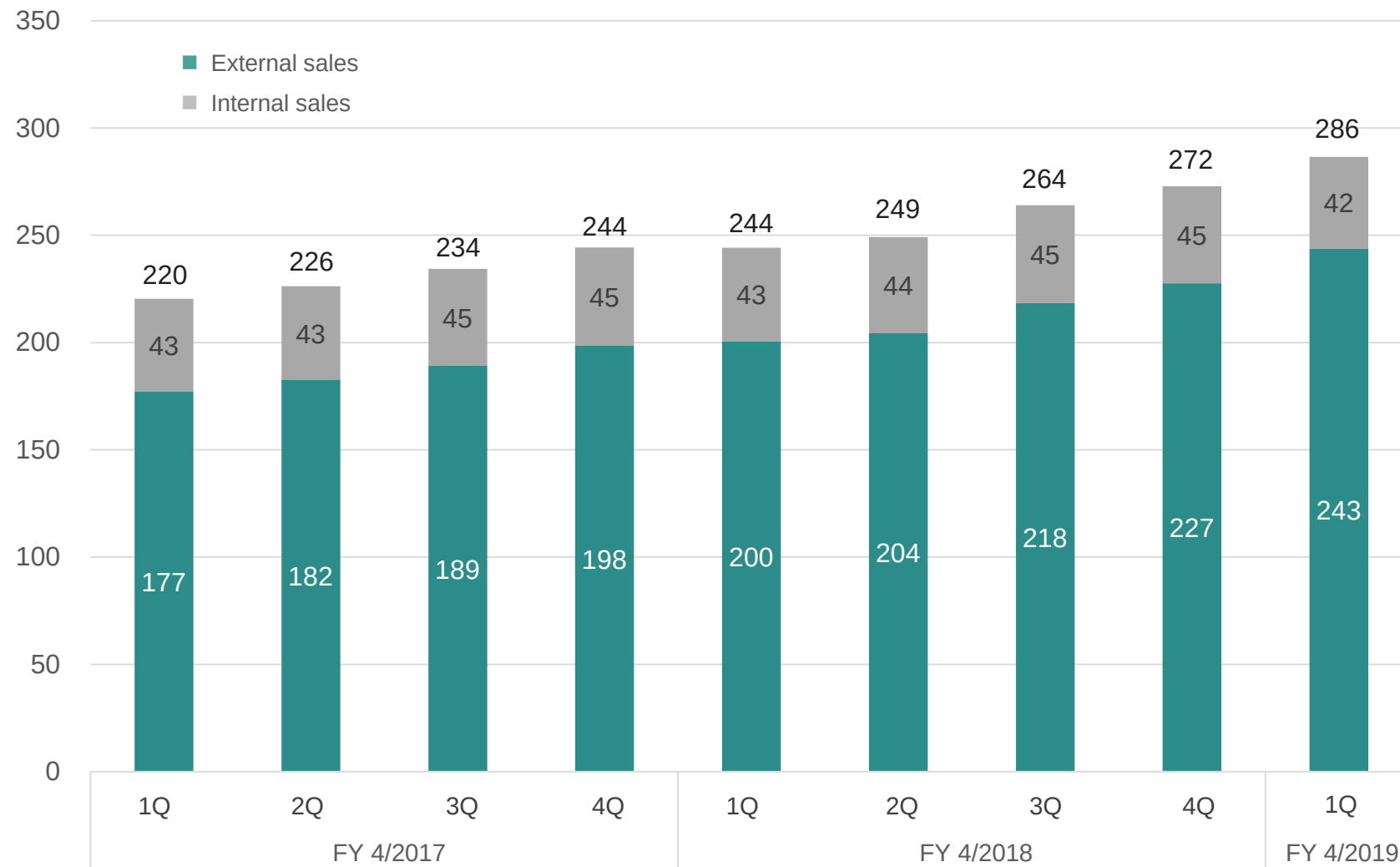
- T&G Accounts Receivable Guarantee and URIHO continued to form business partnerships with regional financial institutions

Guarantee balance: 17,791,515 thousand yen
(6.5% increase from the end of the previous quarter)



External sales: 243,873 thousand yen (YoY 21.7% increase)

(Unit: Million Yen)

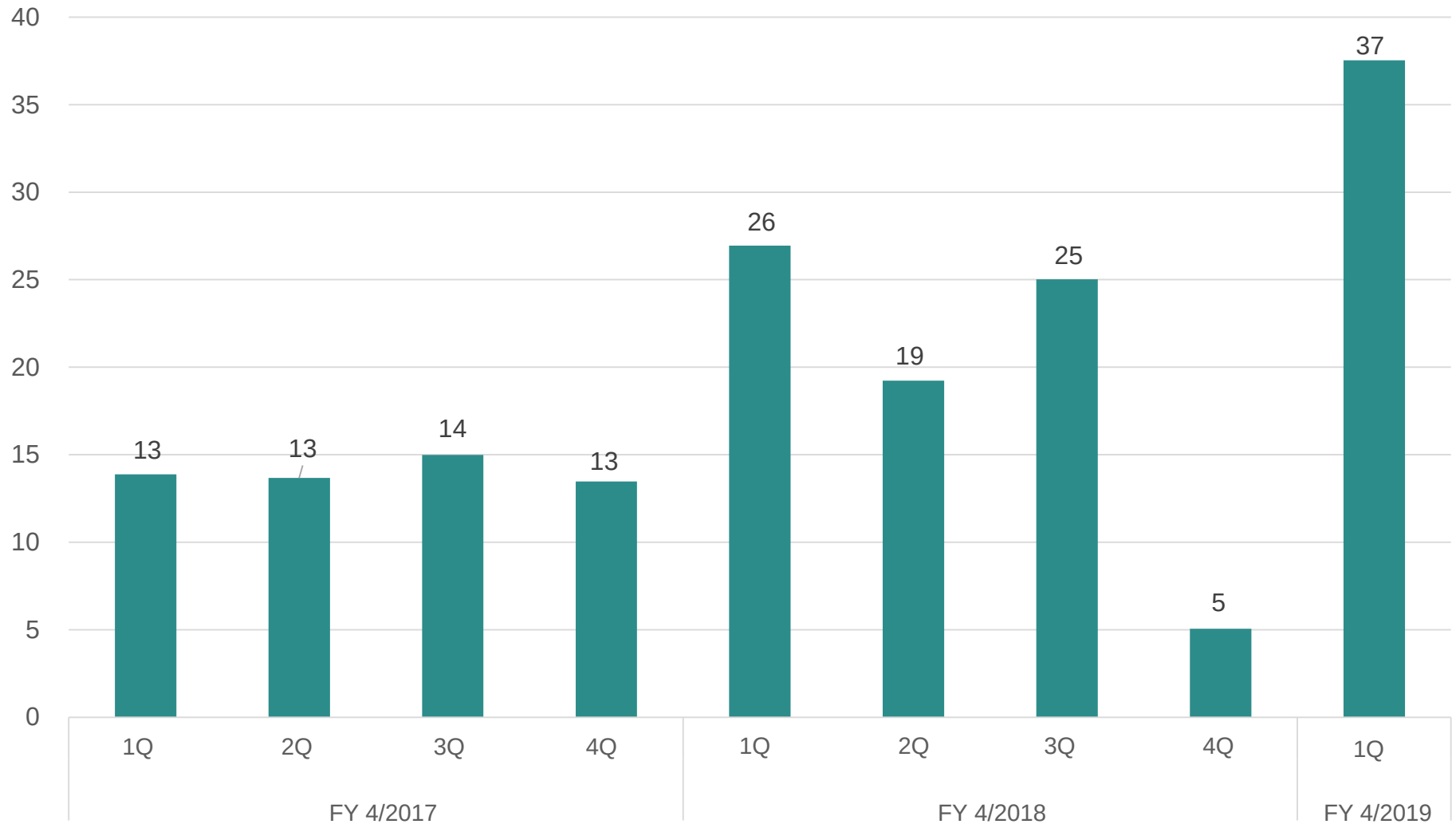


* Internal sales are sales to the EC business.

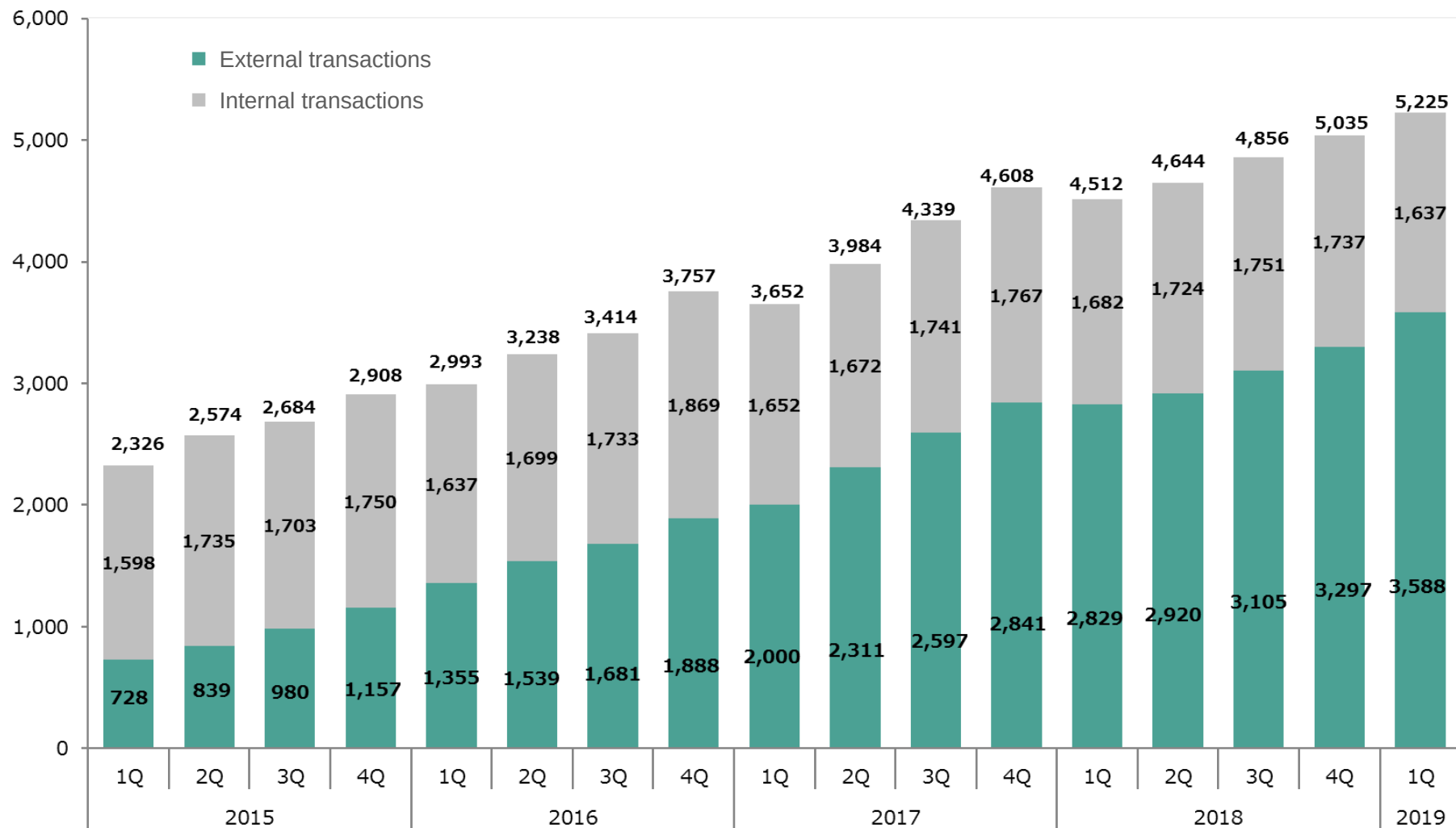
Trends in Segment Profit by Quarter



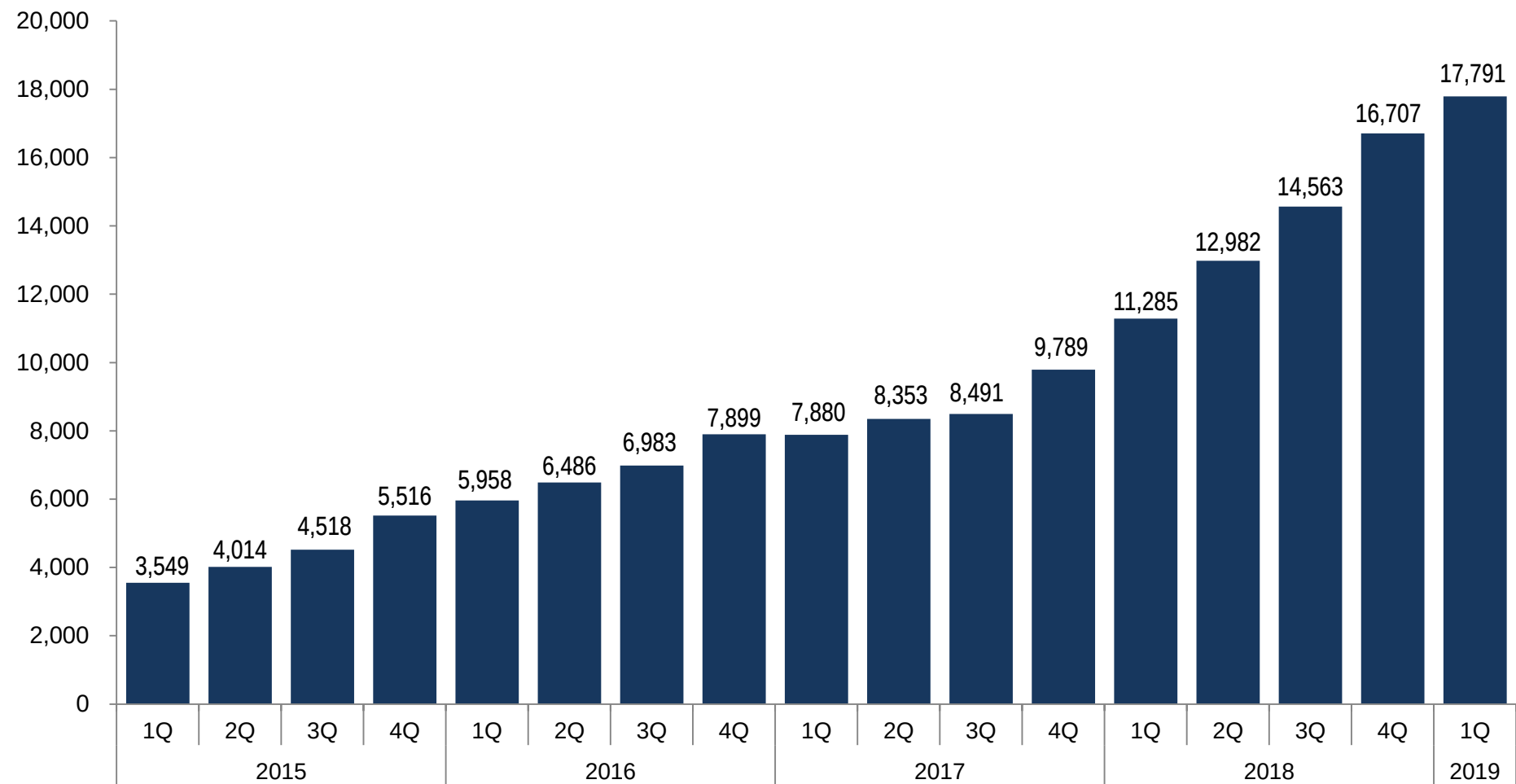
(Unit: Million Yen)



(Unit: Million Yen)



(Unit: Million Yen)



Reference: Appendix

Trends in Consolidated Net Sales by Quarter

(Unit: Thousand Yen)

	2017				2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
EC	392,285	393,391	409,310	416,992	411,858	422,816	429,159	431,392
Financial	177,263	182,555	189,081	198,432	200,454	204,346	218,443	227,608
Total	569,548	575,946	598,391	615,424	612,313	627,162	647,603	659,000

	2019
	1Q
EC	425,150
Financial	243,873
Total	669,023

Trends in Consolidated Operating Income by Quarter

(Unit: Thousand Yen)

	2017				2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
EC	139,203	140,305	154,643	150,387	150,866	159,467	165,583	169,227
Financial	13,878	13,679	14,979	13,470	26,952	19,235	25,016	5,055
Adjustment	-58,634	-48,480	-51,960	-60,661	-71,758	-72,556	-68,443	-70,957
Total	94,448	105,504	117,662	103,197	106,060	106,146	122,156	103,325

	2019
	1Q
EC	167,308
Financial	37,533
Adjustment	-71,567
Total	133,274

(Unit: Thousand Yen)

	2017				2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
System usage sales	236,045	238,416	252,671	260,824	254,911	267,006	275,823	277,465
Member retailer sales	61,362	62,442	61,854	61,986	61,538	61,342	61,050	61,002
Posting company sales	94,181	91,496	93,793	92,986	94,273	93,141	90,785	91,183
Total	391,589	392,354	408,319	415,797	410,722	421,490	427,659	429,651
Transaction value	2,373,604	2,364,000	2,504,825	2,592,073	2,540,172	2,607,775	2,704,572	2,731,729

	2019
	1Q
System usage sales	272,082
Member retailer sales	61,170
Posting company sales	89,903
Total	423,155
Transaction value	2,672,949

EC: No. of Buying Customers That Purchased “SUPER DELIVERY” and Value of Transactions

Value of Transactions (Units: Yen)

	2015				2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
No. of buying customers	8,759	8,662	8,796	8,937	8,919	8,763	8,875	9,027
Value of transactions	263,338	275,998	273,161	272,449	254,966	268,478	270,505	283,623

	2017				2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
No. of buying customers	9,077	9,129	9,318	9,654	9,829	10,210	10,497	11,046
Value of transactions	261,496	258,955	268,815	268,497	258,436	255,413	257,651	247,304

	2019
	1Q
No. of buying customers	11,616
Value of transactions	230,109

(Unit: Thousand Yen)

	2017				2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Internal Sales	43,104	43,644	45,291	45,921	43,767	44,865	45,561	45,215
External Sales	177,263	182,555	189,081	198,432	200,454	204,346	218,443	227,608
Total	220,367	226,199	234,372	244,353	244,222	249,212	264,005	272,824

	2019
	1Q
Internal Sales	42,624
External Sales	243,873
Total	286,497

Trends in “Paid” Transaction Value

(Unit: Thousand Yen)

	2015				2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Internal Transactions	1,598,398	1,735,527	1,703,691	1,750,567	1,637,797	1,699,168	1,733,022	1,869,146
External Transactions	728,416	839,188	980,724	1,157,949	1,355,857	1,539,287	1,681,144	1,888,849
Total	2,326,815	2,574,716	2,684,416	2,908,517	2,993,654	3,238,455	3,414,167	3,757,996

	2017				2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Internal Transactions	1,652,225	1,672,828	1,741,922	1,767,514	1,682,372	1,724,556	1,751,225	1,737,694
External Transactions	2,000,291	2,311,575	2,597,637	2,841,259	2,829,913	2,920,373	3,105,237	3,297,511
Total	3,652,516	3,984,403	4,339,560	4,608,774	4,512,285	4,644,930	4,856,462	5,035,205

	2019
	1Q
Internal Transactions	1,637,880
External Transactions	3,588,014
Total	5,225,894

(Unit: Thousand Yen)

2015				2016			
1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
3,549,223	4,014,613	4,518,229	5,516,003	5,958,346	6,486,483	6,983,264	7,899,365

2017				2018			
1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
7,880,656	8,353,182	8,491,518	9,789,473	11,285,989	12,982,090	14,563,828	16,707,717

2019
1Q
17,791,515